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9 Attorneys for Debtor and Debtor in Possession

10 **UNITED STATES BANKRUPTCY COURT**

11 **CENTRAL DISTRICT OF CALIFORNIA**

12 **LOS ANGELES DIVISION**

13 In re:

14 CRESTLLOYD, LLC,

15 Debtor and Debtor in Possession.

Case No.: 2:21-bk-18205-DS

Chapter 11 Case

**SUPPLEMENTAL DECLARATION OF  
LAWRENCE R. PERKINS IN SUPPORT OF  
APPLICATION OF DEBTOR AND DEBTOR  
IN POSSESSION TO: (1) EMPLOY THE  
BEVERLY HILLS ESTATES AND COMPASS  
AS REAL ESTATE BROKERS PURSUANT TO  
11 U.S.C § 327(a), WITH COMPENSATION  
DETERMINED PURSUANT TO 11 U.S.C. §  
328, (2) EMPLOY CONCIERGE AUCTIONS,  
LLC AS AUCTIONEER PURSUANT TO 11  
U.S.C § 327(a), WITH COMPENSATION  
DETERMINED PURSUANT TO 11 U.S.C. §  
328, AND (3) APPROVE THE PAYMENT OF  
COMPENSATION TO REAL ESTATE  
BROKERS AND AUCTIONEER FROM  
ESCROW UPON CLOSING**

[No hearing required unless requested per L.B.R.  
2014-1(b)]

I, LAWRENCE R. PERKINS, hereby declare as follows:

1. I am over 18 years of age. I have personal knowledge of the facts set forth below and, if called to testify, would and could competently testify thereto.

2. I am the Founder and Chief Executive Officer of SierraConstellation Partners LLC (“SCP”) and have nearly 20 years of management consulting and advisory experience with companies undergoing transition. I have enhanced business performance for numerous companies on projects ranging from interim management, profit improvement and working capital management to strategic planning and transaction execution.

3. I have served in a variety of senior level positions including Financial Advisor, Strategic Consultant, Investment Banker, Financial Executive, and Crisis Manager to numerous middle market companies and believe that I am particularly skilled at assisting clients through challenging situations.

4. Prior to founding SCP, I was a Senior Managing Director and Regional Leader of a national consulting firm where he was responsible for business development, marketing, staffing, and general management of the firm’s western region. I joined the firm in 2010 when it acquired El Molino Advisors, a company I founded in January 2007 and led as the CEO.

5. I began my career in the strategic consulting group of Arthur Andersen after graduating from the University of Southern California Marshall School of Business. I am currently on the board of several non-profits, and two corporate boards, and am a member of the Young Presidents Organization.

6. SCP is the current Non-Member Manager of the Debtor.

7. I make this Declaration in support of the Application Of Debtor And Debtor In Possession To: (1) Employ The Beverly Hills Estates And Compass As Real Estate Brokers Pursuant To 11 U.S.C § 327(A), With Compensation Determined Pursuant To 11 U.S.C. § 328, (2) Employ Concierge Auctions, LLC As Auctioneer Pursuant To 11 U.S.C § 327(a), With Compensation Determined Pursuant To 11 U.S.C. § 328, and (3) Approve The Payment Of Compensation To Real Estate Brokers And Auctioneer From Escrow Upon Closing (the “Application”).

1           8.       Upon filing the Application, the Debtor was contacted by the Office of the U.S.  
2 Trustee (“OUST”) to clarify certain provisions of the Application with respect to the sliding scale of  
3 commissions to be paid to the Debtor’s proposed brokers in connection with the marketing and sale  
4 of the Debtor’s real property. Based on such inquiry, I contacted the brokers and confirmed the terms  
5 which are clarified hereinbelow.

6           9.       As set forth in the Application, the following commission structure applies to the  
7 Brokers, as that term is defined in the Application:

- 8                   a.       1% of sale price up to \$175 million (plus 1% payable to any buyer broker);
- 9                   b.       1.5% of sale price over \$175 million and up to \$200 million (plus 1%  
10 payable to any buyer broker); and
- 11                   c.       2.0% of sale price over \$200 million (plus 1% payable to any buyer  
12 broker).

13           10.      To clarify the terms, as inquired by the OUST, the increased commission applies  
14 to the incremental value of the sale price of the Property and not to the entire sale price. For  
15 example, if the property is sold for \$290 million, the Broker’s commission will be as follows:

- 16                   a.       1% on \$175 million, which equates to \$1,750,000; plus
- 17                   b.       1.5% on \$25 million (\$200 million less \$175 million), which equates to  
18 \$375,000; plus
- 19                   c.       2% on \$90 million (\$290 million less \$200 million), which equates to  
20 \$1,800,000.

21           11.      Based on the foregoing, in the event of a sale price of \$290 million, the Broker’s  
22 commission for the listing Brokers will be \$3,925,000.

23           12.      The OUST also sought a clarification with respect to the commission to be  
24 received by the Auctioneer, as that term is defined in the Application.

25           13.      As set forth in the Application, any Buyer, as that term is defined in the  
26 Application, shall pay a Buyer’s Premium, as that term is defined in the Application, equal to 12% of  
27 the bidder’s purchase price. The Application further provides that (a) if the purchase price is equal to  
28 or less than \$225,000,000.00, the Rebate, as that term is defined in the Application, to Debtor will be

an amount equal to 9.5% of the Buyer's Premium that the Auctioneer actually collects, (b) if the purchase price is greater than \$225,000,000.00 but less than \$275,000,000.00, the Rebate will be an amount equal to 9.0% of the Buyer's Premium that the Auctioneer actually collects, and (c) if the purchase price is equal to or greater than \$275,000,000.00, the Rebate will be an amount equal to 8.5% of the Buyer's Premium that the Auctioneer actually collects.

14. The foregoing sliding scale for the credit applies to the incremental value of the sale price. For example, if the sale price is \$290 million, the credit to Debtor shall be computed as follows:

- a. 9.5% of \$225 million, which equates to \$21,375,000; plus
- b. 9.0% of \$50 million (\$275 million less \$225 million), which equates to \$4,500,000; plus
- c. 8.5% of \$15 million (\$290 million less \$275 million), which equates to \$1,275,000.

15. Based on the foregoing, in the event of a sale price of \$290 million, the Auctioneer will charge a Buyer's Premium of \$34,800,000 (12% of \$290 million) and provide to the Debtor a credit of \$27,150,000, thereby resulting in net compensation to Auctioneer of \$7,650,000.

I declare and verify under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on this 21<sup>st</sup> day of December 2021, at Los Angeles, California.

  
LAWRENCE R. PERKINS

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled **SUPPLEMENTAL DECLARATION OF LAWRENCE R. PERKINS IN SUPPORT OF APPLICATION OF DEBTOR AND DEBTOR IN POSSESSION TO: (1) EMPLOY THE BEVERLY HILLS ESTATES AND COMPASS AS REAL ESTATE BROKERS PURSUANT TO 11 U.S.C § 327(a), WITH COMPENSATION DETERMINED PURSUANT TO 11 U.S.C. § 328, (2) EMPLOY CONCIERGE AUCTIONS, LLC AS AUCTIONEER PURSUANT TO 11 U.S.C § 327(a), WITH COMPENSATION DETERMINED PURSUANT TO 11 U.S.C. § 328, AND (3) APPROVE THE PAYMENT OF COMPENSATION TO REAL ESTATE BROKERS AND AUCTIONEER FROM ESCROW UPON CLOSING** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **December 21, 2021**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Kyra E Andrassy kandrassy@swelawfirm.com, lgarrett@swelawfirm.com;gcruz@swelawfirm.com;jchung@swelawfirm.com
- Todd M Arnold tma@lnbyg.com
- Jerrold L Bregman jlbregman@bg.law, ecf@bg.law
- Marguerite Lee DeVoll mdevoll@watttieder.com
- Thomas M Geher tmg@jmbm.com, bt@jmbm.com;fc3@jmbm.com;tmg@ecf.inforuptcy.com
- David B Golubchik dbg@lnbyg.com, stephanie@lnbyb.com
- James Andrew Hinds jhinds@hindslawgroup.com;mduran@hindslawgroup.com, mduran@hindslawgroup.com
- Robert B Kaplan rbk@jmbm.com
- Jane G Kearl jkearl@watttieder.com
- Jennifer Larkin Kneeland jkneeland@watttieder.com
- Michael S Kogan mkogan@koganlawfirm.com
- Noreen A Madoyan Noreen.Madoyan@usdoj.gov
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- Sharon Oh-Kubisch sokubisch@swelawfirm.com, gcruz@swelawfirm.com;lgarrett@swelawfirm.com;jchung@swelawfirm.com
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- Zev Shechtman zshechtman@DanningGill.com, danninggill@gmail.com;zshechtman@ecf.inforuptcy.com
- Lindsey L Smith lls@lnbyb.com, lls@ecf.inforuptcy.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Jessica Wellington jwellington@bg.law, ecf@bg.law

1 **2. SERVED BY UNITED STATES MAIL:** On **December 21, 2021**, I served the following persons and/or  
2 entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true  
3 and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and  
4 addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be  
5 completed no later than 24 hours after the document is filed.  
6 *None.*

☐ *Service information continued on attached page*

7 **3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR**  
8 **EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR,  
9 on **December 21, 2021**, I served the following persons and/or entities by personal delivery, overnight  
10 mail service, or (for those who consented in writing to such service method), by facsimile transmission  
11 and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or  
12 overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

13 *None.*

14 I declare under penalty of perjury under the laws of the United States of America that the foregoing is  
15 true and correct.

16 December 21, 2021  
17 *Date*

18 Stephanie Reichert  
19 *Type Name*

20 /s/ Stephanie Reichert  
21 *Signature*